

I certify this to be a true and correct  
copy of the indicated document as  
referred or transmitted to committee.

Chief Clerk of the House

FLED MAR 12 2009

By: Corte

H.J.R. No. 116

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the Veterans'  
2 Land Board to issue general obligation bonds in amounts equal to or  
3 less than amounts previously authorized.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 49-b(w), Article III, Texas  
6 Constitution, is amended to read as follows:

7 (w) The Veterans' Land Board may provide for, issue, and  
8 sell general obligation bonds of the state for the purpose of  
9 selling land to veterans of the state or providing home mortgage  
10 loans to veterans of the state in a principal amount of outstanding  
11 bonds that must at all times be equal to or less than the aggregate  
12 principal amount of state general obligation bonds previously  
13 authorized for those purposes by prior constitutional amendments.  
14 Bonds and other obligations issued or executed under the authority  
15 of this subsection may not be included in the computation required  
16 by Section 49-j of this article. [In addition to the general  
17 obligation bonds authorized to be issued and to be sold by the  
18 Veterans' Land Board by previous constitutional amendments, the  
19 Veterans' Land Board may provide for, issue, and sell general  
20 obligation bonds of the state to provide home mortgage loans to  
21 veterans of the state. The principal amount of outstanding bonds  
22 authorized by this subsection may not at any one time exceed \$500  
23 million.] The bond proceeds shall be deposited in or used to  
24 benefit and augment the Veterans' Land Fund, the Veterans' Housing

1 Assistance Fund, or the Veterans' Housing Assistance Fund II, as  
2 determined appropriate by the Veterans' Land Board, and shall be  
3 administered and invested as provided by law. Payments of  
4 principal and interest on the bonds, including payments made under  
5 a bond enhancement agreement with respect to principal of or  
6 interest on the bonds, shall be made from the sources and in the  
7 manner provided by this section for general obligation bonds issued  
8 for the benefit of the applicable fund [~~Veterans' Housing~~  
9 ~~Assistance Fund II~~].

10 SECTION 2. This proposed constitutional amendment shall be  
11 submitted to the voters at an election to be held November 3, 2009.  
12 The ballot shall be printed to permit voting for or against the  
13 proposition: "The constitutional amendment authorizing the  
14 Veterans' Land Board to issue general obligation bonds in amounts  
15 equal to or less than amounts previously authorized."

# HOUSE COMMITTEE REPORT

1<sup>st</sup> Printing

2009 APR -9 PM 10:14  
HOUSE OF REPRESENTATIVES

By: Corte

H.J.R. No. 116

Substitute the following for H.J.R. No. 116:

By: Corte

C.S.H.J.R. No. 116

## A JOINT RESOLUTION

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2 Land Board to issue general obligation bonds in amounts equal to or  
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10 mortgage loans to veterans of the state in a principal amount of  
11 outstanding bonds that must at all times be equal to or less than  
12 the aggregate principal amount of state general obligation bonds  
13 previously authorized for those purposes by prior constitutional  
14 amendments. Bonds and other obligations issued or executed under  
15 the authority of this subsection may not be included in the  
16 computation required by Section 49-j of this article. [In addition  
17 to the general obligation bonds authorized to be issued and to be  
18 sold by the Veterans' Land Board by previous constitutional  
19 amendments, the Veterans' Land Board may provide for, issue, and  
20 sell general obligation bonds of the state to provide home mortgage  
21 loans to veterans of the state. The principal amount of outstanding  
22 bonds authorized by this subsection may not at any one time exceed  
23 \$500 million.] The bond proceeds shall be deposited in or used to  
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1 Assistance Fund, or the Veterans' Housing Assistance Fund II, as  
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4 principal and interest on the bonds, including payments made under  
5 a bond enhancement agreement with respect to principal of or  
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7 manner provided by this section for general obligation bonds issued  
8 for the benefit of the applicable fund [~~Veterans' Housing~~  
9 ~~Assistance Fund II~~].

10 SECTION 2. This proposed constitutional amendment shall be  
11 submitted to the voters at an election to be held November 3, 2009.  
12 The ballot shall be printed to permit voting for or against the  
13 proposition: "The constitutional amendment authorizing the  
14 Veterans' Land Board to issue general obligation bonds in amounts  
15 equal to or less than amounts previously authorized."

# COMMITTEE REPORT

The Honorable Joe Straus  
Speaker of the Texas House of Representatives

April 8, 2009  
(date)

Sir:

We, your **COMMITTEE ON DEFENSE & VETERANS' AFFAIRS**

to whom was referred HSR 116 have had the same under consideration and beg to report back with the recommendation that it

- ☐ do pass, without amendment.  
☐ do pass, with amendment(s).  
☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

☒ yes ☐ no A fiscal note was requested.

☐ yes ☒ no A criminal justice policy impact statement was requested.

☐ yes ☒ no An equalized educational funding impact statement was requested.

☐ yes ☒ no An actuarial analysis was requested.

☐ yes ☒ no A water development policy impact statement was requested.

☐ yes ☒ no A tax equity note was requested.

☐ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

Corresponding joint resolution or enabling legislation number: \_\_\_\_\_

For Senate Measures: House Sponsor \_\_\_\_\_

Joint Sponsors: \_\_\_\_\_

Co-Sponsors: \_\_\_\_\_

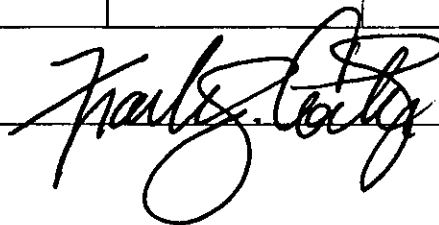
The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
FRANK J. CORTE, JR., Chair	<input checked="" type="checkbox"/>			
ALLEN VAUGHT, Vice-Chair				<input checked="" type="checkbox"/>
Norma Chávez				<input checked="" type="checkbox"/>
Al Edwards	<input checked="" type="checkbox"/>			
Joe Farias	<input checked="" type="checkbox"/>			
Diana Maldonado				<input checked="" type="checkbox"/>
Solomon Ortiz, Jr.	<input checked="" type="checkbox"/>			
Joe Pickett	<input checked="" type="checkbox"/>			
Chris Turner	<input checked="" type="checkbox"/>			

Total

6 aye  
0 nay  
0 present, not voting  
3 absent

CHAIR



## **BILL ANALYSIS**

C.S.H.J.R. 116

By: Corte

Defense & Veterans' Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Veterans' Land Board of the State of Texas (VLB) currently has approximately \$80 million of unused general obligation bonding authority, which can be used by either the Veterans' Housing Assistance Program (VHAP) or the Veterans' Land Program (VLP). It is anticipated that the remaining authorization will last through the end of 2009 and from that point forward VLB will need new bonding authority to continue to issue qualified veterans mortgage bonds to fund loans in VHAP, and, if necessary, to issue new bonds in VLP. Federal tax law currently limits VLB to the issuance of no more than \$250 million of qualified veterans mortgage bonds per year. The VLB would therefore ordinarily pursue new bonding authority from the legislature and the voters of \$1 billion every four years. The VLB needs to secure a sufficient amount of general obligation bonding authority to ensure the uninterrupted continuation of these programs without having to return to the legislature and Texas voters every four years.

C.S.H.J.R. 116 effectively "reauthorizes" or "evergreens" the bonds that have already been issued and retired or redeemed by providing that the amount of bonds outstanding in VHAP and VLP will not exceed at any one time the amount of bonds that have been authorized in the past, an approach that should provide the VLB with enough bonding authority to last for approximately eight to ten years.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this resolution does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.J.R. 116 proposes an amendment to the Texas Constitution to authorize the Veterans' Land Board (VLB) to provide for, issue, and sell general obligation bonds of the state for the purpose of selling land to veterans of the state or providing home or land mortgage loans to veterans of the state, in a principal amount of outstanding bonds that must at all times be equal to or less than the aggregate principal amount of state general obligation bonds previously authorized for those purposes by prior constitutional amendments. The resolution prohibits bonds and other obligations issued or executed under the constitutional provision relating to VLB's bonding authority from being included in the computation required in provisions concerning the limit on state debt payable from the general revenue fund. The resolution removes a prohibition limiting the principal amount of outstanding bonds at any one time from exceeding \$500 million. The resolution includes the Veterans' Land Fund and the Veterans' Housing Assistance Fund as funds in which the bond proceeds are required to be deposited and as funds that can benefit from and be augmented by the proceeds. The resolution authorizes the VLB to determine the appropriate use of the bond proceeds. The resolution sets forth the required language for the ballot.

### **ELECTION DATE**

The constitutional amendment proposed by this joint resolution will be submitted to the voters at an election to be held November 3, 2009.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.J.R. 116 differs from the original by including the provision of land mortgage loans to state veterans, in addition to home mortgage loans as in the original, in the purpose of the authority of the Veterans' Land Board to provide for, issue, and sell general obligation bonds of the state.

## SUMMARY OF COMMITTEE ACTION

HJR 116

April 01, 2009 8:00 AM

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Considered in public hearing

Committee substitute considered in committee

Testimony taken/registration(s) recorded in committee

Left pending in committee

April 08, 2009 8:00 AM

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Considered in public hearing

Committee substitute considered in committee

Reported favorably as substituted

3  
1



WITNESS LIST

HJR 116

HOUSE COMMITTEE REPORT

Defense & Veterans' Affairs Committee

April 1, 2009 - 8:00 AM

For: Patterson, Jerry (Texas Veterans Land Board)

Registering, but not testifying:

For: Little, Morgan (TX Cmte- Employer Support for Guard & Reserve)

4  
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**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 9, 2009**

**TO:** Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HJR116** by Corte (proposing a constitutional amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$90,882.

The resolution would allow the Veterans' Land Board (VLB) to issue general obligation bonds for the purpose of selling land or home mortgages to veterans in an amount equal to or less than the aggregate principal amount of all previous constitutional authorizations. In addition, the resolution would ratify the practice of excluding the VLB land and mortgage general obligation bonds from the constitutional debt limit calculation.

The proposed constitutional amendment would be submitted to voters at an election to be held November 3, 2009.

Although backed by the full faith and credit of the state, VLB land and mortgage general obligation bonds are expected to be paid from other revenue sources (outside the state treasury) and have not in the past and are not expected to create a future draw on General Revenue. Therefore, the bill is not expected to have a significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 352 Bond Review Board

**LBB Staff:** JOB, KK, TL

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

**TO:** Honorable Frank Corte, Jr., Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HJR116** by Corte (Proposing a constitutional amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.), **As Introduced**

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**LBB Staff:** JOB, KK, TL

6  
~~1011~~

ADOPTED

MAY 01

Robert H. [unclear] JCC  
Chief Clerk  
House of Representatives

By:

~~CORTE~~

Substitute the following for H.J.R. No. ~~116~~:

By:

~~CORTE~~

~~H.J.R. No. 116~~

~~C.S. H.J.R. No. 116~~

(( Committee Substitute ))

A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the Veterans'  
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15 the authority of this subsection may not be included in the  
16 computation required by Section 49-j of this article. [In addition  
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22 bonds authorized by this subsection may not at any one time exceed  
23 \$500 million.] The bond proceeds shall be deposited in or used to  
24 benefit and augment the Veterans' Land Fund, the Veterans' Housing

1 Assistance Fund, or the Veterans' Housing Assistance Fund II, as  
2 determined appropriate by the Veterans' Land Board, and shall be  
3 administered and invested as provided by law. Payments of  
4 principal and interest on the bonds, including payments made under  
5 a bond enhancement agreement with respect to principal of or  
6 interest on the bonds, shall be made from the sources and in the  
7 manner provided by this section for general obligation bonds issued  
8 for the benefit of the applicable fund [~~Veterans' Housing~~  
9 ~~Assistance Fund II~~].

10 SECTION 2. This proposed constitutional amendment shall be  
11 submitted to the voters at an election to be held November 3, 2009.  
12 The ballot shall be printed to permit voting for or against the  
13 proposition: "The constitutional amendment authorizing the  
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# HOUSE ENGROSSMENT

By: Corte

H.J.R. No. 116

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**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 9, 2009**

**TO:** Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** **HJR116** by Corte (proposing a constitutional amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$90,882.

The resolution would allow the Veterans' Land Board (VLB) to issue general obligation bonds for the purpose of selling land or home mortgages to veterans in an amount equal to or less than the aggregate principal amount of all previous constitutional authorizations. In addition, the resolution would ratify the practice of excluding the VLB land and mortgage general obligation bonds from the constitutional debt limit calculation.

The proposed constitutional amendment would be submitted to voters at an election to be held November 3, 2009.

Although backed by the full faith and credit of the state, VLB land and mortgage general obligation bonds are expected to be paid from other revenue sources (outside the state treasury) and have not in the past and are not expected to create a future draw on General Revenue. Therefore, the bill is not expected to have a significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 352 Bond Review Board

**LBB Staff:** JOB, KK, TL



**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

**TO:** Honorable Frank Corte, Jr., Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

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**Source Agencies:** 305 General Land Office and Veterans' Land Board, 352 Bond Review Board

**LBB Staff:** JOB, KK, TL

1-1 By: Corte (Senate Sponsor - Van de Putte) H.J.R. No. 116  
1-2 (In the Senate - Received from the House May 4, 2009;  
1-3 May 5, 2009, read first time and referred to Committee on Veteran  
1-4 Affairs and Military Installations; May 15, 2009, reported  
1-5 favorably by the following vote: Yeas 5, Nays 0; May 15, 2009,  
1-6 sent to printer.)

1-7 HOUSE JOINT RESOLUTION

1-8 proposing a constitutional amendment authorizing the Veterans'  
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1-19 the aggregate principal amount of state general obligation bonds  
1-20 previously authorized for those purposes by prior constitutional  
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1-29 bonds authorized by this subsection may not at any one time exceed  
1-30 \$500 million.] The bond proceeds shall be deposited in or used to  
1-31 benefit and augment the Veterans' Land Fund, the Veterans' Housing  
1-32 Assistance Fund, or the Veterans' Housing Assistance Fund II, as  
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1-34 administered and invested as provided by law. Payments of  
1-35 principal and interest on the bonds, including payments made under  
1-36 a bond enhancement agreement with respect to principal of or  
1-37 interest on the bonds, shall be made from the sources and in the  
1-38 manner provided by this section for general obligation bonds issued  
1-39 for the benefit of the applicable fund [Veterans' Housing  
1-40 Assistance Fund II].

1-41 SECTION 2. This proposed constitutional amendment shall be  
1-42 submitted to the voters at an election to be held November 3, 2009.  
1-43 The ballot shall be printed to permit voting for or against the  
1-44 proposition: "The constitutional amendment authorizing the  
1-45 Veterans' Land Board to issue general obligation bonds in amounts  
1-46 equal to or less than amounts previously authorized."

1-47 \* \* \* \* \*

**FAVORABLE**  
**SENATE COMMITTEE REPORT ON**  
SB   SCR   SJR   SR   HB HJR 116  
By Corte / Van de Putte  
(Author/Senate Sponsor)  
5/15/09  
(date)

**VETERAN AFFAIRS**  
**AND MILITARY INSTALLATIONS**

We, your Committee on \_\_\_\_\_, to which was referred the attached measure,  
have on May 14, 2009, had the same under consideration and I am instructed to report it  
(date of hearing)  
back with the recommendation(s) that it:

- ☒ do pass and be printed
- ☐ do pass and be ordered not printed
- ☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Van de Putte, Chair	✓			
Senator Shapleigh, Vice-Chair	✓			
Senator Davis	✓			
Senator Estes	✓			
Senator Huffman	✓			
TOTAL VOTES	5			

**COMMITTEE ACTION**

- ☒ S260 Considered in public hearing
- ☒ S270 Testimony taken

Estella French  
COMMITTEE CLERK

Robert Van de Putte  
CHAIR

Paper clip the original and one copy of this signed form to the original bill  
Retain one copy of this form for Committee files

WITNESS LIST

HJR 116

Senate Committee Report

Veteran Affairs & Military Installations

May 13, 2009 - 1:30 PM or upon adjournment

ON:

Martin, Rusty Deputy Commissioner (General Land Office/Funds Management), Austin, TX

Patterson, Jerry Chairman/Commissioner (General Land Office/Texas Veterans Land Board), Austin, TX

Registering, but not testifying:

For:

Miterko, John A. Legislative Liaison (Texas Coalition of Veteran Organizations), Austin, TX

Pope, Olie Veterans Service Officer (Veterans County Service Officer Association of Texas), Austin, TX

On:

Moore, Paul Deputy Commissioner (Texas Veterans Land Board), Austin, TX

## **BILL ANALYSIS**

Senate Research Center  
81R16356 JAM-D

H.J.R. 116  
By: Corte (Van de Putte)  
Veteran Affairs & Military Installations  
5/11/2009  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Veterans Land Board of the State of Texas (VLB) and the Veterans Land Fund were created by the Texas Legislature in 1946 to make low-interest rate loans to returning World War II veterans. The Veterans Housing Assistance Program (VHAP) was added in 1983. Loans in VHAP were initially funded through the issuance of tax-exempt qualified veterans mortgage bonds (QVMBs). However, the Tax Reform Act of 1986 significantly restricted the use of QVMB proceeds to fund loans in VHAP until 2008, when the 110th Congress approved H.R. 6081, the Heroes Earnings Assistance Relief Tax Act, which removed the main restrictions on the use of QVMB proceeds to fund these loans.

Currently, VLB has approximately \$80 million of unused general obligation bonding authority, which can be used by either VHAP or the Veterans Land Program (VLP). VLB expects the remaining authorization to last through the end of 2009; from that point forward VLB will need new bonding authority to continue to issue QVMBs to fund loans in VHAP (and to issue new VLP bonds, if necessary).

H.J.R. 116 proposes a constitutional amendment to effectively "reauthorize" or "evergreen" all previously authorized general obligation bonding authority in the Veterans' Housing Assistance Fund, the Veterans' Housing Assistance Fund II, and the Veterans' Land Fund. Current federal tax law limits VLB to the issuance of no more than \$250 million of QVMBs per year; therefore, the proposed constitutional amendment should provide a sufficient amount of general obligation bonding authority to VLB to continue funding of these programs for approximately eight to 10 years.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 49-b(w), Article III, Texas Constitution, to authorize the Veterans' Land Board (VLB) to provide for, issue, and sell general obligation bonds of the state for the purpose of selling land to veterans of the state or providing home or land mortgage loans to veterans of the state in a principal amount of outstanding bonds that is required at all times to be equal to or less than the aggregate principal amount of state general obligation bonds previously authorized for those purposes by prior constitutional amendments. Prohibits bonds and other obligations issued or executed under the authority of this subsection from being included in the computation required by Section 49-j of this article. Requires that the bond proceeds be deposited in or used to benefit and augment the Veteran's Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II, as determined appropriate by VLB, and be administered and invested as provided by law. Requires that payments of principal and interest on the bonds, including payments under a bond enhancement agreement with respect to principal of or interest on the bonds, be made from the sources and in the manner provided by this section for general obligation bonds issued for the benefit of the applicable fund, rather than the Veterans' Housing Assistance Fund II. Deletes text authorizing VLB, in addition to the general obligation bonds authorized to be issued and to be sold by VLB by the previous constitutional amendments, to provide for, issue, and sell general obligation bonds of the state to provide home mortgage loans to veterans of the state, and prohibiting the

principal amount of outstanding bonds authorized by this subsection from at any one time exceeding \$500 million.

**SECTION 2.** Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 3, 2009. Sets forth the required language of the ballot.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 7, 2009**

**TO:** Honorable Leticia Van de Putte, Chair, Senate Committee on Veteran Affairs & Military Installations

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** HJR116 by Corte (Proposing a constitutional amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.), **As Engrossed**

**No significant fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$90,882.

The resolution would allow the Veterans' Land Board (VLB) to issue general obligation bonds for the purpose of selling land or home mortgages to veterans in an amount equal to or less than the aggregate principal amount of all previous constitutional authorizations. In addition, the resolution would ratify the practice of excluding the VLB land and mortgage general obligation bonds from the constitutional debt limit calculation.

The proposed constitutional amendment would be submitted to voters at an election to be held November 3, 2009.

Although backed by the full faith and credit of the state, VLB land and mortgage general obligation bonds are expected to be paid from other revenue sources (outside the state treasury) and have not in the past and are not expected to create a future draw on General Revenue. Therefore, the bill is not expected to have a significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 352 Bond Review Board

**LBB Staff:** JOB, KK, TL

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 9, 2009**

**TO:** Honorable Frank Corte Jr., Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HJR116** by Corte (proposing a constitutional amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$90,882.

The resolution would allow the Veterans' Land Board (VLB) to issue general obligation bonds for the purpose of selling land or home mortgages to veterans in an amount equal to or less than the aggregate principal amount of all previous constitutional authorizations. In addition, the resolution would ratify the practice of excluding the VLB land and mortgage general obligation bonds from the constitutional debt limit calculation.

The proposed constitutional amendment would be submitted to voters at an election to be held November 3, 2009.

Although backed by the full faith and credit of the state, VLB land and mortgage general obligation bonds are expected to be paid from other revenue sources (outside the state treasury) and have not in the past and are not expected to create a future draw on General Revenue. Therefore, the bill is not expected to have a significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 352 Bond Review Board  
**LBB Staff:** JOB, KK, TL



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 30, 2009**

**TO:** Honorable Frank Corte, Jr., Chair, House Committee on Defense & Veterans' Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HJR116** by Corte (Proposing a constitutional amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.), **As Introduced**

**No significant fiscal implication to the State is anticipated, other than the cost of publication.**

The cost to the state for publication of the resolution is \$90,882.

The resolution would allow the Veterans' Land Board (VLB) to issue general obligation bonds for the purpose of selling land or home mortgages to veterans in an amount equal to or less than the aggregate principal amount of all previous constitutional authorizations. In addition, the resolution would ratify the practice of excluding the VLB land and mortgage general obligation bonds from the constitutional debt limit calculation.

The proposed constitutional amendment would be submitted to voters at an election to be held November 3, 2009.

Although backed by the full faith and credit of the state, VLB land and mortgage general obligation bonds are expected to be paid from other revenue sources (outside the state treasury) and have not in the past and are not expected to create a future draw on General Revenue. Therefore, the bill is not expected to have a significant fiscal impact to the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 305 General Land Office and Veterans' Land Board, 352 Bond Review Board

**LBB Staff:** JOB, KK, TL

## ENROLLED

H.J.R. No. 116

### A JOINT RESOLUTION

1 proposing a constitutional amendment authorizing the Veterans'  
2 Land Board to issue general obligation bonds in amounts equal to or  
3 less than amounts previously authorized.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 49-b(w), Article III, Texas  
6 Constitution, is amended to read as follows:

7 (w) The Veterans' Land Board may provide for, issue, and  
8 sell general obligation bonds of the state for the purpose of  
9 selling land to veterans of the state or providing home or land  
10 mortgage loans to veterans of the state in a principal amount of  
11 outstanding bonds that must at all times be equal to or less than  
12 the aggregate principal amount of state general obligation bonds  
13 previously authorized for those purposes by prior constitutional  
14 amendments. Bonds and other obligations issued or executed under  
15 the authority of this subsection may not be included in the  
16 computation required by Section 49-j of this article. [In addition  
17 ~~to the general obligation bonds authorized to be issued and to be~~  
18 ~~sold by the Veterans' Land Board by previous constitutional~~  
19 ~~amendments, the Veterans' Land Board may provide for, issue, and~~  
20 ~~sell general obligation bonds of the state to provide home mortgage~~  
21 ~~loans to veterans of the state. The principal amount of outstanding~~  
22 ~~bonds authorized by this subsection may not at any one time exceed~~  
23 ~~\$500 million.]~~ The bond proceeds shall be deposited in or used to  
24 benefit and augment the Veterans' Land Fund, the Veterans' Housing

1 Assistance Fund, or the Veterans' Housing Assistance Fund II, as  
2 determined appropriate by the Veterans' Land Board, and shall be  
3 administered and invested as provided by law. Payments of  
4 principal and interest on the bonds, including payments made under  
5 a bond enhancement agreement with respect to principal of or  
6 interest on the bonds, shall be made from the sources and in the  
7 manner provided by this section for general obligation bonds issued  
8 for the benefit of the applicable fund [~~Veterans' Housing~~  
9 ~~Assistance Fund II~~].

10 SECTION 2. This proposed constitutional amendment shall be  
11 submitted to the voters at an election to be held November 3, 2009.  
12 The ballot shall be printed to permit voting for or against the  
13 proposition: "The constitutional amendment authorizing the  
14 Veterans' Land Board to issue general obligation bonds in amounts  
15 equal to or less than amounts previously authorized."

H.J.R. No. 116

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President of the Senate

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Speaker of the House

I certify that H.J.R. No. 116 was passed by the House on May 1, 2009, by the following vote: Yeas 144, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.J.R. No. 116 was passed by the Senate on May 19, 2009, by the following vote: Yeas 30, Nays 0.

---

Secretary of the Senate

RECEIVED: \_\_\_\_\_

Date

---

Secretary of State

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.J.R. No. 116<sup>✓</sup> was passed by the House on  
(1)

May 1<sup>✓</sup>, 2009, by the following vote:  
(2)

Yeas 144<sup>✓</sup>, Nays 0<sup>✓</sup>, 1 present, not voting  
(3) (4)

\_\_\_\_\_  
Chief Clerk of the House

I certify that H.J.R. No. 116<sup>✓</sup> was passed by the Senate on

May 19<sup>✓</sup>, 2009, by the following vote:  
(5)

Yeas 30<sup>✓</sup>, Nays 0<sup>✓</sup>  
(6) (7)

\_\_\_\_\_  
Secretary of the Senate

RECEIVED:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary of State

\*\*\*\* Preparation: CT23

116  
H.J.R. No. 116

By Corte

proposing a constitutional amendment authorizing the Veterans' Land Board to issue general obligation bonds in amounts equal to or less than amounts previously authorized.

MAR 12 2009

Filed with the Chief Clerk

MAR 23 2009

Read first time and referred to Committee on Defense and Veterans' Affairs

APR 08 2009

Reported favorably (~~unfavorably~~)  
(as substituted)

APR 14 2009

Sent to Committee on Calendars

MAY 01 2009

Read second time (comm. subst.) (~~amended~~) and adopted (passed to third reading) by a record vote of 144 yeas, 0 nays, 1 present, not voting

Read third time (amended) and finally adopted (failed of adoption) by a record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting

MAY 02 2009

Engrossed

MAY 04 2009

Sent to Senate

Robert Haney  
CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

MAY 04 2009

Received from the House

MAY 05 2009

Read and referred to Committee on VETERAN AFFAIRS & MILITARY INSTALLATIONS

MAY 15 2009

Reported favorably \_\_\_\_\_

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

MAY 19 2009

Laid before the Senate

MAY 19 2009

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)  
(\_\_\_\_\_ yeas, \_\_\_\_\_ nays)

MAY 19 2009

Read second time, \_\_\_\_\_, and passed to third reading by (unanimous consent)  
(a viva voce vote)  
(\_\_\_\_\_ yeas, \_\_\_\_\_ nays)

MAY 19 2009

Senate and Constitutional 3 Day Rules suspended by a vote of 30 yeas, 0 nays

MAY 19 2009

Read third time, \_\_\_\_\_, and passed by 30 yeas, 0 nays

MAY 19 2009

Returned to the House

Patricia Spaw  
SECRETARY OF THE SENATE

OTHER SENATE ACTION:

MAY 19 2009

Returned from the Senate ~~(as substituted)~~  
(with amendments)

House concurred in Senate amendments by a (non-record vote)  
(record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

House refused to concur in Senate amendments and requested the appointment of a conference committee  
by a (non-record vote) (record vote of \_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting)

House conferees appointed: \_\_\_\_\_, Chair; \_\_\_\_\_,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Senate granted House request. Senate conferees appointed: \_\_\_\_\_, Chair;  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_

Conference committee report adopted (rejected) by the House by a record vote of  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays, \_\_\_\_\_ present, not voting

Conference committee report adopted (rejected) by the Senate by a record vote of  
\_\_\_\_\_ yeas, \_\_\_\_\_ nays

2009 APR -9 PM 10:14  
HOUSE OF REPRESENTATIVES